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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Case No. 07-CV-05569 MHP

**KNOLL INC.'S MISCELLANEOUS
ADMINISTRATIVE REQUEST TO
CONSIDER WHETHER CASES
SHOULD BE RELATED**

[Civil L.R. 3-12 and 7-11]

Judge: Honorable Marilyn H. Patel

Complaint filed: November 1, 2007
Trial Date: None set

21 KNOLL, INC., a Delaware corporation,
22 Counterclaim-Plaintiff,
23 vs.
24 ALPHAVILLE DESIGN, INC., a Delaware
25 Corporation, DAVID LEE, PEGGY LEE,
26 DANRICK COMMERCE GROUP, LLC a/k/a
27 MODERNCOLLECTIONS.COM, DANNY
LOUIE, and DOES A-Z, Retailers for
Alphaville Design, Inc.,
28
Counterclaim-Defendants.

MISC. ADMINISTRATIVE REQ. TO CONSIDER WHETHER CASES SHOULD BE RELATED
Case No. 07-CV-05569 MHP

1 Defendant and Counterclaim-Plaintiff Knoll, Inc. ("Knoll") files this Administrative Motion
 2 to Consider Whether Cases Should be Related ("Motion") pursuant to Civil L.R. 3-12. This motion
 3 is based upon this Motion and Declaration of Karineh Khachatourian filed herewith, along with the
 4 papers, records, and pleadings on file herein and on such other and further matters as may be
 5 determined by the Court.

6 **I. PROCEDURE**

7 To make an administrative request under Civil L.R. 7-11, a moving party must set forth
 8 specifically the action requested, and the reasons supporting the motion. Such a motion must be
 9 accompanied by either (a) a stipulation of parties under Civil L.R. 7-12 or, (b) by a declaration
 10 explaining why a stipulation could not be reached. A Declaration of Karineh Khachatourian
 11 Explaining Why a Stipulation Could Not be Reached is filed concurrently herewith.

12 **II. ACTION REQUESTED**

13 Knoll respectfully requests that this Court grant this Motion and find that this case, entitled
 14 *Alphaville Design, Inc. v. Knoll, Inc.*, Case No. 07-CV-05569-MHP, is related to the case entitled
 15 *Knoll, Inc. v. Danrick Commerce Group, LLC, et al.*, Case No. 08-CV-0778-MHP, and should be
 16 consolidated and calendared on the same track¹. Specifically, Knoll respectfully requests that the
 17 Court utilize the dates set in the case management order in the second filed action, *Knoll, Inc. v.*
 18 *Danrick Commerce Group, LLC, et al.* for both cases to ensure that all parties are served with the
 19 complaint and summons and can all participate in the ADR, Rule 26(f) and case management
 20 conferences.

21 **III. REASONS SUPPORTING THIS REQUEST**

22 **A. The New York and California Lawsuits.**

23 On September 7, 2007, KNOLL, INC. ("Knoll") filed suit for trademark infringement, unfair
 24 competition and related claims against, DANRICK COMMERCE GROUP, LLC a/k/a
 25 MODERNCOLLECTIONS.COM ("Danrick"), and DANNY LOUIE ("Louie") in the United States

26
 27 ¹ Knoll has filed this Motion in both the Alphaville and Danrick Actions to avoid any doubt that all
 parties have been served.

1 District Court for the Southern District of New York, Case No. 07-CIV-7892, and on November 8,
 2 2007 amended the complaint to name ALPHAVILLE DESIGN, INC. ("Alphaville") and DAVID
 3 LEE and PEGGY LEE ("the Lees") as additional defendants (hereinafter referred to the "the New
 4 York Action"). *See* Declaration of Karineh Khachatourian in Support of Knoll Inc.'s Miscellaneous
 5 Administrative Request to Consider Whether Cases Should be Related ("Khachatourian Decl."),
 6 Exh.A. Shortly thereafter, the Court in the New York Action suggested that the parties agree to
 7 transfer the action to or Knoll re-file the action in the Northern District of California because the
 8 majority of the defendants reside in that jurisdiction and venue. Based on the New York Court's
 9 suggestion, Knoll dismissed the New York Action without prejudice with the intent of re-filing in
 10 the United States District Court for the Northern District of California.

11 However, prior to the dismissal of the New York action, Alphaville filed an action against
 12 Knoll for declaratory relief of invalidity and non-infringement of the trademarks subject to the New
 13 York Action (hereinafter referred to "this Action" and "the Alphaville Action"). *See* Alphaville
 14 Docket No. 1. Alphaville's filing of its complaint was particularly underhanded given that the
 15 parties were also engaged in settlement discussions at that time. As discussed below, Alphaville's
 16 filing has now created a procedural quagmire.

17 **B. Knoll Asserts Its Trademark Infringement Claims Against All Of The Named
 18 Defendants In The New York Action.**

19 On January 15, 2008, Knoll reasserted its causes of action against Alphaville in the New
 20 York Action as counterclaims in this Action. *See* Alphaville Docket No. 14. Knoll also asserted
 21 similar trademark infringement claims against the Lees, Danrick, and Louie that it previously
 22 asserted in the New York Action as counterclaims in this Action. *See id.*

23 On January 22, 2008, Karineh Khachatourian, counsel for Knoll, contacted Philip Green of
 24 the Law Offices of Green & Green, counsel for Alphaville, to confirm whether he would accept
 25 service of Knoll's Counterclaim on behalf of the Lees, Danrick and Louie. Khachatourian Decl., ¶
 26 7. Counsel for Alphaville, accepted service on behalf of the Lees since they were principals of
 27 Alphaville. *Id.* However, counsel for Alphaville stated that Neil Smith of the Sheppard Mullin law
 28 firm represented Danrick and Louie, as he did previously in the New York action. *Id.*

1 On January 22, 2008, counsel for Knoll also contacted Neil Smith to inquire whether he
 2 represented Danrick and Louie and whether he would accept service on their behalf. Khachatourian
 3 Decl., ¶ 8. On January 23, 2008, counsel for Knoll sent Mr. Smith an email requesting that he
 4 confirm whether he was authorized to accept service on behalf of Danrick and Louie. Mr. Smith
 5 did not timely respond to that email. Khachatourian Decl., Exh.B, ¶ 9.

6 To preserve its rights against Danrick and Louie, on February 1, 2007, Knoll filed a separate
 7 action against Danrick and Louie in the Northern District for California, Case No. CV-08-0778
 8 MHP (hereinafter referred to as "the Danrick Action"), wherein Knoll reasserted claims that were
 9 substantially similar to those originally brought in the New York Action and those asserted as
 10 counterclaims in this Action. In doing so, Knoll indicated on the case cover sheet that Danrick
 11 Action case was related to the Alphaville Action and the Danrick Action was assigned to this Court.
 12 Danrick Docket No. 1.

13 After Knoll filed the Danrick Action and served one of the defendants, Mr. Smith contacted
 14 counsel for Knoll and inquired why a separate lawsuit was filed. Counsel for Knoll explained that
 15 by filing an action in California, Alphaville made it nearly impossible for Knoll to name the Lees,
 16 Danrick and Louie as counter-defendants since counterclaims may only be asserted against parties
 17 to the action. *See* F.R.Civ.P. 13. Indeed, the Clerk of this Court would not issue summons for
 18 Danrick and Louie. Khachatourian Decl. ¶ 11.

19 Thereafter, Knoll met and conferred with counsel for the other parties and appeared to have
 20 reached an agreement that joining those parties named as defendants in the Danrick Action as
 21 counter-defendants in the Alphaville Action under Federal Rule of Civil Procedure 20 was the
 22 necessary and proper procedure to streamline the prosecution of the parties' respective claims and
 23 counterclaims asserted by the parties in the Alphaville and Danrick Actions. *See* 6 Wright, Miller
 24 & Kane, Fed. Prac. & Proc. Civ.2d § 1435. In conjunction with that agreement, Knoll prepared a
 25 stipulation and proposed order joining the Lees, Danrick and Louie as counter-defendants in the
 26 Alphaville Action. Khachatourian Decl., Exh.C, ¶ 11. Upon execution by the parties, approval of
 27 the stipulation by the Court and acceptance of service of summons by counsel, Knoll was prepared
 28 to dismiss the Danrick Action. *See id.*

1 After Knoll circulated the proposed stipulation, counsel for Danrick and Louie refused to
 2 provide comments or otherwise execute the stipulation. Khachatourian Decl., ¶ 11. With the
 3 upcoming deadlines in both the Alphaville and Danrick Actions, the need to resolve the issue of
 4 consolidation of these actions became imperative.

5 **C. Good Cause Exists To Deem The Alphaville and Danrick Actions As Related
 6 And Consolidate Them Before This Court.**

7 Knoll's Request should be granted because both cases fit the definition of related cases as
 8 stated in Civil L.R. 3-12(a). Both actions concern the same parties, trademarks (U.S. Trademark
 9 Nos. 2,893,025; 2,894,977; 2,894,980; 2,894,979; 2,894,978 and 772,313), and causes of action
 10 under the Lanham Act. Specifically, the parties' respective claims and counterclaims asserted in the
 11 Alphaville and Danrick Actions all relate to the same series of transactions and occurrences and
 12 present common questions of law, i.e. the validity of Knoll's marks and the alleged infringement of
 13 those marks by a manufacture/supplier and its retailers and resellers.²

14 Also in agreement with Civil L.R. 3-12(a)(2), "[i]t appears likely that there will be an unduly
 15 burdensome duplication of labor and expense" if these cases are not consolidated. Despite the fact
 16 that both actions related to the same trademarks and alleged wrongdoing, they are now on different
 17 calendar tracks. *Compare* Khachatourian Decl., Exhs. D and E. For example, in the Alphaville
 18 Action, the parties are required to complete their Rule 26(f) conference, meet and confer regarding
 19 ADR and file their ADR Certifications and Stipulation to ADR Process on February 25, 2008. *Id.*,
 20 Exh. D. However, in the Danrick Action, the parties are not required to do the same until April 21,
 21 2008. *Id.*, Exh. E. Likewise, the case management conference in the Alphaville Action is March
 22 17, 2008, while the case management conference in the Danrick Action is scheduled for May 12,
 23 2008. *Id.*

24
 25 ² These considerations also support Knoll's original attempt to reach an agreement to join the Lees,
 26 Danrick and Louie. *See, e.g., Privasys, Inc. v. Visa Internat'l*, 2007 WL 3461761 (N.D. Cal. Nov. 14,
 27 2007) (joinder was proper where plaintiff sought relief for patent infringement against both the supplier
 and its customers); *Naxon Telesign Corp. v. GTE Information Sys., Inc.*, 89 F.R.D. 333, 338-39 (D.C.
 Ill. 1980) (where a patent infringement suit against manufacturer and customers would take place
 simultaneously, joinder rather than staying claims against customers is proper).

1 In light of the foregoing, deeming the cases as related and/or consolidating them would be in
2 the interests of judicial economy and conserve the resources of the parties by preventing multiple
3 lawsuits and expediting the final determination of the parties' dispute in a single action. In that
4 regard, since not all of the parties have been served in the Danrick Action, it would be in the
5 interests of judicial economy to vacate the case management schedule in the Alphaville Action and
6 adopt the case management schedule in the Danrick Action for both cases.

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8 | Dated: February 22, 2008

Respectfully submitted,

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BUCHANAN INGERSOLL & ROONEY LLP

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